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Memorandum of Understanding on Establishment  
of Pixie Base in Germany

Overt Holding Area

An overt holding area will be established under the cover of a Pixie Labor Service Company. Similar companies, composed of Balts and Poles, are already in existence. Under the direction and control of G-4 EUCOM, they are performing guard duty and other functions at U. S. installations within Germany. As there is a constant turn-over in personnel of these companies arising from the withdrawal of individuals for movement abroad on DP resettlement programs, and the G-4 of EUCOM advises that little or no comment would be caused by the recruitment of a Pixie Company, and subsequent turn-over resulting from the disappearance of small groups of Pixies to clandestine training areas. After crossing the German border, groups of Pixies will simply report to the designated EUCOM labor recruiting office, probably in the Munich area. On reporting, they will be signed on, examined physically, uniformed and given two weeks' training in guard duty procedures and responsibilities. After the training period is completed, they will be assigned to guard duty at one of the American installations. From the OPC standpoint, the most desirable location is in southern Bavaria, and Lt. Col. Laughlin, G-4 Section, EUCOM, believes it will be possible to establish the camp at either BadTolz or Sonthoven, either of which would be satisfactory for our purposes.

Because of budgetary cuts, the Army is being forced to reduce the number of men now in existing labor companies. For this reason, it will be necessary for OPC to provide funds for the payment of the individuals in the Pixie company. This is expected to average about 250 marks per month per man. It is estimated that the initial strength will be approximately 100 men and that the ultimate strength may be as high as 250. Col. Laughlin stated, however, that G-4 would be able to provide for the rationing, housing, administration and army of this company without OPC assistance and without causing comment among German civilians. Col. Partridge, Deputy G-2, has agreed to receive funds for this purpose into his confidential fund and to transfer the money subsequently to G-4 section through the comptroller.

Pixies will be drawn both from western Germany and from the Mediterranean countries of Italy, Greece, Syria and Egypt. OPC will arrange for the movement of those Pixies now outside of Germany into and across the German frontier. It is probable that the assistance of IRO will be obtained for the necessary documentation and transportation.

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As part of the cover of the operation, Pixies who are sent to Germany will be told that all thought of operational activity in Pixieland has been postponed indefinitely. However, as part of its welfare activities, the Pixie committee has been able to arrange for the recruitment of individual Pixies into a labor company in Germany so that they might remain together and provide for their own upkeep for an indefinite period.

#### Covert Holding Area

Covert training will take place in two or three isolated safe houses. Pixies will be withdrawn from the Labor Service Company in groups of four or five, taken clandestinely to the safe house for intensive training for a period of approximately two weeks, after which they will be moved clandestinely out of Germany and infiltrated into Pixie land. Pixies will be made to believe that this covert training is being done entirely by the committee with the aid of a few private American citizens but without the knowledge or consent of U. S. government authorities. It will be the responsibility of OPC (shop) to provide facilities for this phase.

#### APPROVAL

The above arrangements have been discussed in full with Col. Partridge and General Taylor, G-2, EUCOM and with Mr. Shute and Col. Gerhardt of HICOG. General Noce has approved the program for the Theater Command and Mr. McCloy has approved it as High Commissioner. The arrangements for the establishment of an overt labor company have been discussed with Col. Laughlin who, in turn, has cleared it with Col. O'Meara, G-4, EUCOM.

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